Am <u>ndments</u> to the Claims:

This listing of claims will replace all prior versions, and listings, of claims in the application:

Listing of Claims:

Claims 1-15 (cancelled)

Claim 16 (currently amended): A method of operating a fuel cell system comprising a plurality of fuel cells, each fuel cell comprising an inlet for fuel, an anode having a catalyst associated therewith for producing cations from fuel, a fuel manifold connected between the inlet and the anode for distributing fuel to the anode, an oxidant inlet means for supplying oxidant, a cathode having a catalyst associated therewith and connected to the oxidant inlet means for producing anions from the oxidant, said anions reacting with said cations to form water on said cathode and an ion exchange membrane disposed between the anode and the cathode, for facilitating migration of cations from the anode to the cathode while isolating the fuel and oxidant from one another, the method comprising

- (a) supplying fuel <u>and oxidant</u> to the fuel cell for reaction to generate electrical power and heat;
- (b) providing a catalytic reactor, supplying fuel to the catalytic reactor and supplying oxidant to the catalytic reactor, in an amount greater than the stoichiometric amount required for the combustion of the fuel, to ensure complete combustion of the fuel, thereby generating a flow of heated and humidified oxidant;
- (c) supplying the heated and humidified oxidant to the fuel cell, for reaction with the fuel to generate electricity and heat.

Claim 17 (currently amended): A method as claimed in claim 16, which comprises, for initial start-up below a preset temperature, initially supplying fuel and oxidant only to the catalytic reactor to generate a flow of heated and humidified oxidant,

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Preliminary Amendment

and passing the heated and humidified oxidant through the fuel cells to preheat the fuel cells, and commencing supply of fuel to the fuel cells, once the fuel cells reaches a desired temperature.

Claim 18 (original): A method as claimed in claim 16, which includes providing the catalytic reactor in a main oxidant supply line for supplying oxidant to the fuel cell stack.

Claim 19 (original): A method as claimed in claim 17, which includes, after startup and after the cell has reached the desired temperature, supplying a sufficient quantity of the oxidant and the fuel to the catalytic reactor, to maintain the oxidant supplied to the fuel cell system at a desired humidity level.

Claim 20 (original): A method as claimed in claim 19, which includes supplying air as the oxidant; where the fuel cell system is an air-breathing system including vertical channels for flow of air as the oxidant; and providing only a portion of air required as the oxidant through the catalytic reactor, with additional air flowing directly through the channels of the fuel cell system.

Claim 21 (cancelled):

Claim 22 (currently amended): A method as claimed in any one of claims 16 to 21, which includes providing the fuel cell system with proton exchange membranes.

Claim 23 (new): A method as claimed in claim 16, which includes providing the catalytic reactor as a tubular reactor.